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The Hongkong Telegraph

(ESTABLISHED 1881)

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WEATHER FORECAST
FAIR.
Barometer 30.31.

January 9, 1918. Temperature 6 a.m. 43 2 p.m. 54
Humidity 22 26

January 9, 1917. Temperature 6 a.m. 40 2 p.m. 49
Humidity 43 52

7849 日十廿月一十

WEDNESDAY, JANUARY 9, 1918.

三拜禮 號九月一英港香

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PER ANNUM.

REUTER'S TELEGRAMS.

LAST YEAR'S OPERATIONS.

Why a General Offensive was Abandoned.

London, January 8.
The *Gazette* contains a despatch from Field Marshal Sir Douglas Haig of 28,000 words, covering the operations in 1917 except those at Cambrai. He explains that a conference of the military heads of the Allies in November, 1916, arranged a plan for last year comprising offensives on all fronts. The British offensive in April was to be preparatory for a more decisive subsequent French operation, in the latter stages of which the British were to co-operate, but the events in Russia and the fact that the French offensive in Champagne met with very obstinate resistance necessarily modified the plan.

Sir Douglas Haig emphasises the immense handicap upon the British in the Battle of Arras by rain and snow. He says the effect thereof in the matter of bringing up the guns before the enemy was able to assemble his reserves was incalculable. Nevertheless, by May 9, 23 German Divisions were withdrawn. He explains it was in order to assist the French that the operations in Arras were continued. This necessarily greatly interfered with the preparations for the attack in Flanders. Speaking of the unprecedented magnitude of subterranean warfare at Messines, Sir Douglas Haig mentions that it was known that the enemy was driving a gallery under Hill 60, but by careful listening it was judged that if our offensive began at the date arranged the enemy's gallery would just fail to reach us, and this proved to be correct. He points out that the enemy did his utmost to prevent the advance in Flanders, using up no fewer than 78 Divisions on the operations. Nevertheless, it was the immense natural difficulties, accentuated by abnormally wet weather, rather than the magnitude of the enemy's resistance, which prevented the complete capture of Passchendaele Ridge. Time after time rain enforced lulls in the fighting, enabling a "practically beaten enemy" to reorganise and bring up reinforcements behind the sea of mud constituting his main protection. Sir Douglas Haig emphasises that owing to the necessity of taking over an additional line from the French we were very definitely handicapped in the Battle of Arras. This handicap was subsequently increased by the difficulty of obtaining adequate drafts, for a sufficiently long time prior to the Divisions' participation in battles, to enable the drafts to be assimilated into Divisions and the Divisions to be trained. "The general conditions of the struggle during 1917 were very different to those contemplated by the aforementioned Allied Military Conference. The great general simultaneous offensives then agreed upon did not materialise. The events in Russia enabled the Germans to bring forty fresh Divisions from the Russian to the Western Front. This, and the events in Italy, imposed a far heavier task on the Anglo-French than was anticipated. However, the British armies maintained vigorous and continuous offensives from April to November, except at short intervals due to weather or to complete the preparations. "It was the longest and most successfully sustained offensive of the war, yielding 59,000 prisoners, nearly 400 guns and 2,000 machine-guns. Therefore, without reckoning the possibilities which were opened up by the gains in Flanders, and without considering its effects on other theatres, there is every reason to be satisfied with the results achieved. The additional strength which the enemy obtained or may obtain from the events in Russia and Italy have already been largely discounted, and the ultimate destruction of the enemy's forces brought appreciably nearer." In the operations at Arras, Messines, Lens and Ypres, 131 German Divisions were defeated by less than half that number of British.

In paying a tribute to the artillery Sir Douglas Haig points out that at the Battle of Ypres the batteries were practically unprotected for month after month under a continuous bombardment of the gas and high explosives. He says that instances could be multiplied when a signal from the infantry for urgent artillery support and a warning that gas was coming were received simultaneously and the gunners discarded their masks and obeyed the infantry's call with the full knowledge of the consequences. As regards the Flying Corps, he mentions that long distance raiding has become a recognised part of the preparations for an infantry attack. Bombing aerodromes at great distances behind the enemy lines has become intensified. In several cases the enemy has thus been compelled to abandon particular aerodromes.

Reprisal raids on German towns are carried out whenever the weather permits. Sir Douglas Haig emphasises, however, that the enemy does not show any signs of relaxing his aerial efforts. Hence he lays stress on the need of a liberal supply of most efficient machines. He mentions that carrier pigeons have proved extremely valuable in conveying information from units to Headquarters and shows that the British are increasingly using gas, which is almost nightly discharged along the entire front.

THE WESTERN FRONT.

London, January 8.
Field Marshal Sir Douglas Haig reports:—An enemy party raided a post in the neighbourhood of Flequieres, and one of our men is missing. There has been hostile artillery firing in the neighbourhoods of Bullecourt and Passchendaele.

A French communique states:—Despite the intense cold and unfavourable weather, our pilots in December brilliantly maintained superiority. They destroyed or put out of action 76 enemy aeroplanes. We lost 19 machines during the month.

AUSTRALIAN CABINET RESIGNS.

London, January 8.
Reuter's correspondent at Melbourne states that the Hughes Cabinet has resigned and that Mr. Tindal has been summoned to form a new Ministry.

A BRITISH DESTROYER TORPEDOED.

London, January 8.
The Admiralty announces that a British destroyer has been torpedoed and sunk in the Mediterranean. Ten men were lost.

REUTER'S TELEGRAMS.

THE BRITISH PREMIER'S SPEECH.

Further Expressions of Approval.

London, January 8.
Every hour brings fresh commendation for Mr. Lloyd George from the Dominions and the Allies. Nothing short of enthusiasm has been aroused in France, while the American Press picturesquely describes Britain as representing enlightened Christendom extending both hands towards Germany, one holding a very sharp sword and the other an olive branch.

The German Press comment is still most meagre. The Conservative *Berlin Post* declares that such terms are those of victor to vanquished.

Dutch Opinion.

London, January 8.
According to Reuter's correspondent at Amsterdam, the Dutch comment on Mr. Lloyd George's speech reveals disappointment at the destruction of all hope of the Entente's participation in peace negotiations at present. The *Telegraaf* says that the peace the Entente wants is a peace satisfying everybody except those wishing to enrich themselves at the expense of other nationalities.

Endorsed by America.

London, January 8.
President Wilson has sent a message to Mr. Lloyd George warmly approving and emphatically endorsing his speech on behalf of himself and the American Government.

More German Press Comment.

London, January 8.
The German Press comments unfavourably on Mr. Lloyd George's speech. The *Frankfurter Zeitung*, the *Berlin Post* and the *Kreuz Zeitung* assert that Mr. Lloyd George's terms are those of the victor. The *Rheinisch Westfälische Zeitung* says that Mr. Lloyd George and the British Labour Party desire Alsace-Lorraine for France, and the German Colonies, Arabia, Syria and Palestine for Britain, and talk of an indemnity by Germany. It adds that it is a waste of words to reply. The *Bosner Courier* says the speech is an attempt to isolate Germany by intimidating her Allies. The *Tages Zeitung* expresses the opinion that peace is only attainable by the defeat of Britain.

The King of Bavaria, in a speech, declared:—"We must fight until the enemy accepts our conditions. The enemy's terms are exorbitant. Not an inch of German ground must be given up."

A German Lament.

London, January 8.
A well-known German military writer, General Liebert, in a significant article to the *Tagliche Rundschau*, points out that the world's balance of power at present greatly favours Britain, who could not only proceed to the completion of the Cape to Cairo line but the still more important overland route from Cairo to the Persian Gulf. General Liebert does not mention the possibility of a German military victory. He says:—"Whether Britain finally triumphs depends on her diplomatic skill at the Peace Conference, and hitherto British diplomacy has everywhere been victorious."

Austrian Views.

London, January 8.
Reuter's correspondent at Amsterdam says that the Austrian newspapers regard Mr. Lloyd George's terms as those of victor to vanquished. The *Neue Freie Presse* says that the speech means that force shall decide. The *Neues Wiener Tageblatt* says that the speech shows that Britain does not desire peace. The *Reichspost* says that the speech is a useless contribution to a humanity which desires peace.

BRITISH PRISONERS FROM GERMANY.

Opinion that Food Shortage will Win War.

London, January 8.
The first batch of 235 officers and men and 370 civilians have landed at Boston (Lincolnshire) from Germany. An officer declared that food shortage in Germany will end the war. Ex-prisoners agreed that only parcels from England enabled them to live.

ARMY'S DEBT TO THE NAVY.

A Glowing Tribute by Sir Douglas Haig.

London, January 8.
Field Marshal Sir Douglas Haig reviewing last year's operations, pays a tribute to the Navy. He says:—"The Army owes a debt to the Navy which grows ever greater and is more deeply realised by the British Armies in France. As a result of its unceasing vigilance, the enemy's hope that unrestricted submarine warfare will hamper our operations in France and Flanders is signally disappointed. The immense quantities of ammunition and material required by the Army, and large numbers of men, continue to reach us with unflinching regularity."

THE MILITARY OUTLOOK.

Shanghai, January 8.
Mr. Philip Gibbs thinks that January will pass without any big battles, and possibly February also. Whenever the Germans attack a fearful price will be exacted, and it is possible that the German nation will refuse to counter-sign any order for the reckless expenditure of life.

THE MEAT SUPPLY.

London, January 8.
Provincial butchers have been licensed to buy only half as much meat as in October, the surpluses to be sent to London.

EXPORT OF AMERICAN COAL.

London, January 8.
Reuter's correspondent at Washington says the Fuel Administration recommends that coal be only exported for war purposes or in exchange for commodities which the United States needs.

EARLIER TELEGRAMS.

BRITISH APPOINTMENTS IN AMERICA.

London, January 7.
The appointments of Lord Reading and Lord Northcliffe are officially confirmed. It is understood that Lord Reading has been appointed British High Commissioner to the United States, and will also take charge of the British War Mission to New York and Washington. Lord Northcliffe is remaining at the head of the British Mission to the United States in London.

Lord Northcliffe on being interviewed said that Lord Reading's appointment emphasised the most tremendous task of representing all British interests in the United States at a time when interdependence of each others war efforts assumed such a vast scale. He expressed the opinion that Lord Reading would be given full authority to act on his own initiative, as he possessed during his former visit. He would possess the good-will of the people and Government of the United States. Our combined establishments at Washington had grown so much that they would now make a most creditable showing in Whitehall.

It is officially announced that Sir Cecil Spring Rice is departing from Washington on leave. Lord Reading's appointment as High Commissioner will have the character of Ambassador on special mission, with full authority over all British Missions in the United States.

LAST YEAR'S LOSSES AND CAPTURES.

London, January 7.
The War Office states that the British captures in 1917 in the western theatre were: 73,131 prisoners and 531 guns; in Palestine 17,646 men and 108 guns; in Mesopotamia 15,944 and 124; in East Africa 6,728 and 18; in Salonika 1,095 and 0; total 114,544 and 781. The British losses in the western theatre were approximately: 97,500 prisoners and 180 guns; in Palestine 610 prisoners; in Mesopotamia 297; in East Africa 100 and Salonika 202; total 28,379 and 168.

NEW BRITISH MINEFIELDS.

London, January 7.
Lloyd's announces that two new British minefields, for protection of merchantmen against submarines, have been laid, covering practically the whole of the sea area between the Belgian coast, Dover and Folkestone. The British mine area off the coast of Jutland and the German seaboard has also been enlarged.

THE WESTERN FRONT.

London, January 7.
Field Marshal Sir Douglas Haig reports: We repulsed a raid south-eastward of Ypres. Hostile artillery is active at Passchendaele. Our aeroplanes on Sunday fired 12,000 machine gun rounds on troops, transports and other targets, and dropped three tons of bombs on different objectives. We brought down six and drove two enemy machines. One of ours is missing.

MORE SILVER BULLETS.

London, January 7.
Last week's subscriptions to National War Bonds through the banks amounted to nearly 224,000,000, a record for one week. Up to the present over 211,000,000 has been subscribed through banks and over 211,000,000 through the Post Office. Up to December 29 over 2137,000,000 was realised by the sale of War Savings Certificates.

SUCCESSFUL ALLIED AIR RAID.

Amsterdam, January 8.
A telegram from Karlsruhe dated January 4, reports Allied air attacks on Mannheim, Bistatt and Freiburg. The "Telegraaf" states that the big new flying camp at Orstackeron, and the Ghent-Lokern-Antwerp line have been greatly damaged in aerial attacks.

BRITISH ON ITALIAN FRONT.

London, January 7.
An Italian official message states: British and French batteries repeatedly shelled positions and rear-areas between Vidor, Pontedella and Grula with excellent results. British patrols forced the Piave at some points.

THE ROCKEFELLER FOUNDATION.

New York, January 8.
Mr. Rockefeller has donated \$5,000,000 to the Rockefeller Foundation to meet the increasing expenditure on war work. Mr. Rockefeller's contributions to the Foundation total \$130,000,000.

MR. LLOYD GEORGE'S SPEECH.

Melbourne, January 8.
Mr. Hughes comments on Mr. Lloyd George's speech that both the tone and the terms were worthy of the hour and the man.

MORE EMPIRE HONOURS.

London, January 7.
Mr. J. J. Virgo has been made a Commander of the Order of the British Empire. Mr. Virgo has been National Field Secretary of the Young Men's Christian Association since 1915. He is an Australian and has made the interests of the Y.M.C.A. his life-work. He recently passed through Hongkong.

Sir John Furley, Mr. James Andrew Seddon, the lecturer, and Mr. James Parker, Labour Member of Parliament for Halifax, have been appointed Companions of Honour.

THE SILVER MARKET.

London, January 5.
Silver stands at 45. In tone the market is the same as yesterday.

AMERICAN TROOPS.

Under Storm of German Shells for Hours.

With the British Army in France, Saturday, Dec. 1.—American army engineers working in the region of Goussaucourt joined the fighting ranks of their British allies yesterday and helped to stem the onslaught which resulted in Goussaucourt being enveloped for a time.

Many of the Americans were caught in the German turning movement about Goussaucourt and only escaped death or capture by lying concealed for hours in shell holes until the British had succeeded in pushing the invaders back. Hundreds of other men from overseas were subjected to tremendous shell fire from enemy artillery and great quantities of gas shells were thrown in the territory where they were working.

The German attack was made with greatly superior numbers and every available man was needed on the British side to arrest its onward sweep. The Americans gave every ounce of their strength to this task, both as fighting men and as workers, and the important part which they played has drawn the highest praise from the British authorities.

Many of the engineers seized rifles and fought side by side with the Tommies throughout the bitter day and many scores of Americans last night were armed and sent forward as volunteers to do patrol work in the hospital zone before which a large army of Germans was encamped. One British general, in conversation with the correspondent to-night, spoke in the most glowing terms of the invaluable services rendered by the engineers.

"One cannot bestow any praise that is too high," he remarked emphatically.

Several trains operated by Americans were in the Goussaucourt section and hundreds of other Americans were in this territory when the Germans swept forward in masses toward the town. Many Americans working in the rear area immediately provided themselves with rifles and joined the hard pressed British or turned their hands to other important work.

The experiences of these men and of those who were caught behind the German advance probably surpasses anything which the American expeditionary force yet has encountered in the way of actual fighting.

One of the trains run by an American crew was west of Villers Guislain, which was the first place through which the Germans charged on the southern flank of the offensive. Shells suddenly began to fall about the engineers and almost immediately they saw a horde of gray coats charging toward them. The driver of the engine saw there was no time to linger and ran for a nearby shell hole. His four helpers sought similar shelter and they reached cover before they were seen by the Germans, although one of the crew was wounded slightly by a shell splinter. The five Americans lay in the shell hole for hours with the Germans all about, and only escaped after the British had counter-attacked and driven the enemy back.

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Victoria Theatre—9.15 p.m.
Bijou Theatre—9.15 p.m.
New Hongkong Cinema—9.15 p.m.
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Bijou Theatre—9.15 p.m.
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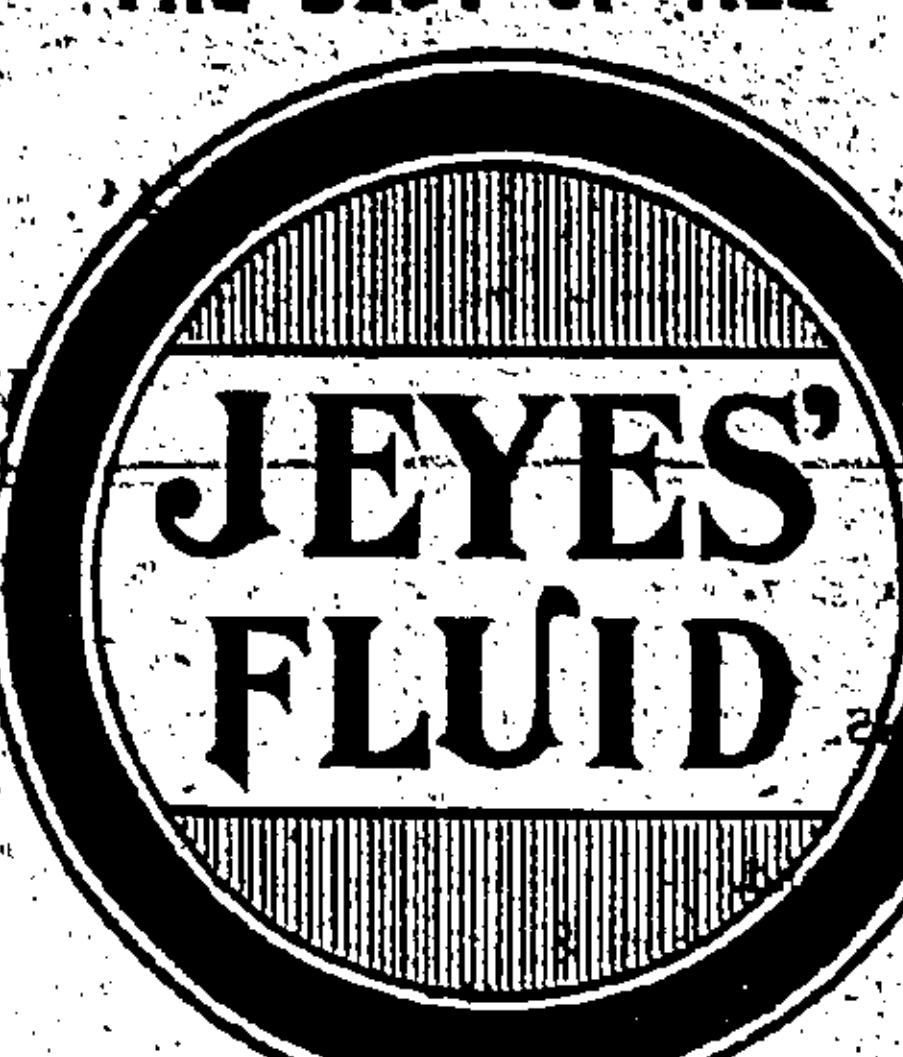
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GENERAL NEWS.

Captain E. Hagen, of Tientsin, previously reported missing, is a prisoner of war.

General Leman.

General Leman, the defender of Liège, has been released by Germany and has gone to Switzerland.

Mr. Liang Chi-chiao.

We are authoritatively informed that the report that Mr. Liang Chi-chiao has gone to Shanghai is inaccurate. He is at present still in Tientsin. — Peking Daily News.

Death of Lieut. Cranston.

News has been received by cable of the death of Lieut. William Auld Cranston, second son of Mr. and Mrs. David Cranston, formerly of Shanghai. The deceased, who was 34 years of age and in the Royal Engineers, was killed in action.

The Militant Tachung Inquiry.

The militant Tachung have addressed a joint telegram enquiring after the Government's plans with regard to the actual restoration of peace. They ask what their troops should do in case they are fired upon by the Southern troops, as the Government has issued a Declaration ordering the cessation of hostilities.

From the Lower Deck.

Commander T. J. S. Lyne, who is appointed to the Ganges, is the first officer in recent years to reach his present rank from the lower deck. Whilst in command of the river boat Kinaba on this station he was commended by the Admiralty for valuable services rendered in connection with the protection he gave to foreigners and others.

Hankow's Christmas.

Hankow spent a very quiet Christmas. The weather was bright but a trifle on the too cold side. Numbers of the residents went away for the holidays to the hills or after the wily peasant. The services in the Churches were well-attended, and the recreation grounds saw the usual turn out of golfers and footballers. The native mind seems much more at rest on Christmas day although not specially "merry" was eminently peaceful. — O.C. Post.

False Pretence Case.

The false pretence case in the Mixed Court, in which Dr. Fischer's name has been so often mentioned, was concluded today, says the Shanghai Mercury of December 28. Mr. Haskell, for the defence, admitted that his client received the 75 and \$80 respectively from Dr. Fischer's interpreter Lung Van-pian. The Court sentenced each of the accused to one month's imprisonment and ordered them to pay fines of \$120 and \$80 respectively—the money to be paid to complainant. An order was also made for the handing over of the 308, paid into court by Dr. Fischer, to the complainant. The Court further directed that the four documents produced in the case, including the letter sent by Dr. Mei to King Van-pian, be handed over to the President of the American Bar Association.

Mad Throwing.

In reply to an attack made by his Chief of Staff on his character, (says the Peking Daily News), General Feng Yu-hsiang has issued the following circular telegram: "I was surprised to notice in the newspapers the circular telegram issued by Mr. Chia Ping, my former Chief of Staff. He has been my acquaintance for a number of years. I once requested him to come to my Brigade to hold the important post of Chief of Staff. Unfortunately, his mother died and he accepted the post, and since then he has been known to be out of his mind. Consequently, I have not dared to give him any appointment, and for this reason he has been spreading rumors and slanders against me. As he has been a close friend of mine, I request him to retract his statement on the 14th instant for him to return to his native place to recuperate his health. In order to remove public misapprehension, I have issued this circular telegram." — Peking Daily News.

GENERAL NEWS.

Captain "Tommy" Hutchison.

We learn that Lieut. "Tommy" Hutchison, of the 3rd Oxford and Bucks Light Infantry, has been promoted Captain, says the Shanghai Mercury.

Caustic Comment.

The North China Daily Mail says:—We have been authorised officially to state that at the request of the Chinese authorities, "Gibbie" has been deported. A nice Xmas gift for the Director of the International Institute. Herr Gilbert Reid intimated to one of his friends on the platform that he had been very kindly given a free pass to Manila by the U. S. Transport "Warren". He thus escapes the rigorous northern winter. Possibly he may fall across Herr von Boronby down there. They would make a fine pair.

Served in China.

Major Ernest Glenville Waymouth, B.A., who died on October 16, aged 48, served in China in 1900 as Adjutant to the Royal Artillery, and took part in the relief of Tientsin and also in the relief of Peking. He was also present in the actions of Peitsang and Yangtse, and was awarded the medal with clasp. Major Waymouth was well known as a cricketer, having played for many years for the Royal Artillery; he was a prominent member of I. Z. and Free Foresters. He was also a fine Rugby football player, and was the first president of the Army Rugby Union.


Grand Opera in Shanghai.

Says the N. C. Daily News:—We hear that the committee for the production of grand opera and ballets in aid of Allied War Funds have successfully overcome all difficulties and are going to stage a third opera in addition to the two already advertised. They have chosen Leoncavallo's popular opera, "I Pagliacci", and have had the good luck to be able to enlist that well known baritone Signor Scamozzi for the part of "Tonio." The complete cast will be as follows:—Canio, Mrs. J. W. Odell; Tonio, Signor Scamozzi; Silvio, Mr. H. L. Corbin; Harlequin, Mr. T. Cassella; Nedda, Mrs. Holwell. The first performance will take place, it is hoped, on January 24 and Mr. L. de Luca's ballet of last year, "Pierrot's Dream," will follow the opera with the same cast which so successfully produced it last winter. Meanwhile preparations are actively going on for the production of "La Tosca," "Cavalleria Rusticana" and "Myra."

News From Sianfu.

Reliable information has reached Tientsin to the effect that on 11th ult. Kuo Chien, a prominent Twofe leader, entered Sianfu with his followers, disguised as, or accompanied by, gendarmes. They seized the Chang Lou (Central Tower) which is the Telephone Exchange. By a ruse Kuo Chien's men then gained access to the Tachuan's Yamen. A party of about twenty men, apparently gendarmes escorting a prisoner, marched through the streets to the Yamen, where they had no difficulty in gaining admission. They then made a rush for the Tachuan's office. He was standing before a looking glass as they arrived, and though they promptly rushed towards and fired at him, he made his escape. The Superintendent of the Chinese Customs, however, was killed, and the Tachuan's Chief A. D. O. was dangerously, probably fatally, wounded. During the afternoon the Tachuan collected his forces and surrounded the Chang Lou, placing some of his artillery behind the Post Office, and the Postal Commissioner's residence. A heavy bombardment of the tower then commenced. The bandits were eventually driven out, and massacred, but much damage was done to private property, and about 500 innocent persons are supposed to have lost their lives. The Postal premises suffered considerably from gun or rifle fire. The Tachuan now has the situation well in hand. It is yet unknown whether Kuo Chien is among the slain.—P. and T. Times.

NOTICES.



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THE RECORDS OF QUALITY
SELECTIONS OF EVERY
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20% discount for cash
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MOUTRIE'S

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**THE ONLY
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N. LAZARUS,
OPHTHALMIC OPTICIAN.
24, QUEEN'S ROAD CENTRAL.

EGGS AND EPITHETS.

The Premier of Australia
Assaulted.

Warwick, in Queensland, was recently the scene of an incident, or rather incidents, as extraordinary as regrettable.

The Prime Minister (Mr. Hughes), who had spoken successfully at Toowoomba in favour of the Federal Government's conscription proposal, was returning by train, and alighted at Warwick with the purpose of addressing an open-air meeting. On the road below the station a crowd had assembled to hear the Prime Minister, but on the platform were a number of men, mostly eligible, who, at the sight of Mr. Hughes, greeted him with groans and hoots.

Walking down the platform, he was jostled, and eggs were thrown, one of which knocked off Mr. Hughes' hat. This was the signal for yells and laughter, and, though there were those not afraid to cry "Shame," their protests were drowned.

A returned soldier "spotted" the egg-thrower, and promptly went for him. This began a free fight, of which, apparently, the soldier did the better, the soldier doing good execution. Mr. Hughes, in spite of his physical disabilities, appeared to have borne his part, for he emerged from the fracas with bleeding knuckles. But his lack of pounds was against him, and he was badly hustled and jostled. After persisting in his demands for the arrest of his assailant, the man was escorted from the platform. He was not, however, taken in charge, for he reappeared, and Senior Sergeant Kenny, despite Mr. Hughes' instructions, delivered as Federal Attorney-General, declined to take action. The officer declared he would

only act under the laws of Queensland.

Eventually something like order was restored, and Mr. Hughes addressed the crowd from the edge of the platform, Sergeant Kenny relaxing his attitude to the extent of asking for a "square deal" for the speaker. But hoots mingled with the cheers for the Prime Minister.

Mr. Hughes had only made a few remarks when the man who had first assaulted him approached with threatening gesture from the street. The Prime Minister, leaving the platform, went toward him and insisted on his arrest, and this time he was removed from the scene, but whether to the lockup is not yet known.

Despite the antagonism, Mr. Hughes succeeded in making a speech, in the course of which he said:—

"Whether you will range yourselves under the Union Jack, alongside your kinsmen, the lads who are fighting for the cause of liberty, or alongside these men who are doing the dirty work of Germany in our midst. These men who prate about liberty are endeavouring to prevent the voice of the Government being heard. The people of the Commonwealth have given me authority, and by virtue of that authority I will maintain law and order."

"Any man who interrupts me, or any speaker who makes any statement calculated to mislead the electors, will be dealt with out of hand. There are men in charge of the Government of this State who are openly leading themselves to this defiance of the laws of the country, and they are endeavouring now to circulate through the medium of 'Hansard' a concoction of vile lies for the purpose of confusing and deceiving the electors in the exercise of their vote. They are not doing it openly, but by a subterfuge."

After referring to the row he had just witnessed, Mr. Hughes said:—There is a man to-day who is the real front of the offending, a man to whom every German in the country looks; to whom

Prepaid Advertisements.

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TO BE LET.—HOUSES on Shamoon, CANTON. OFFICES in York Buildings. Apply to:—
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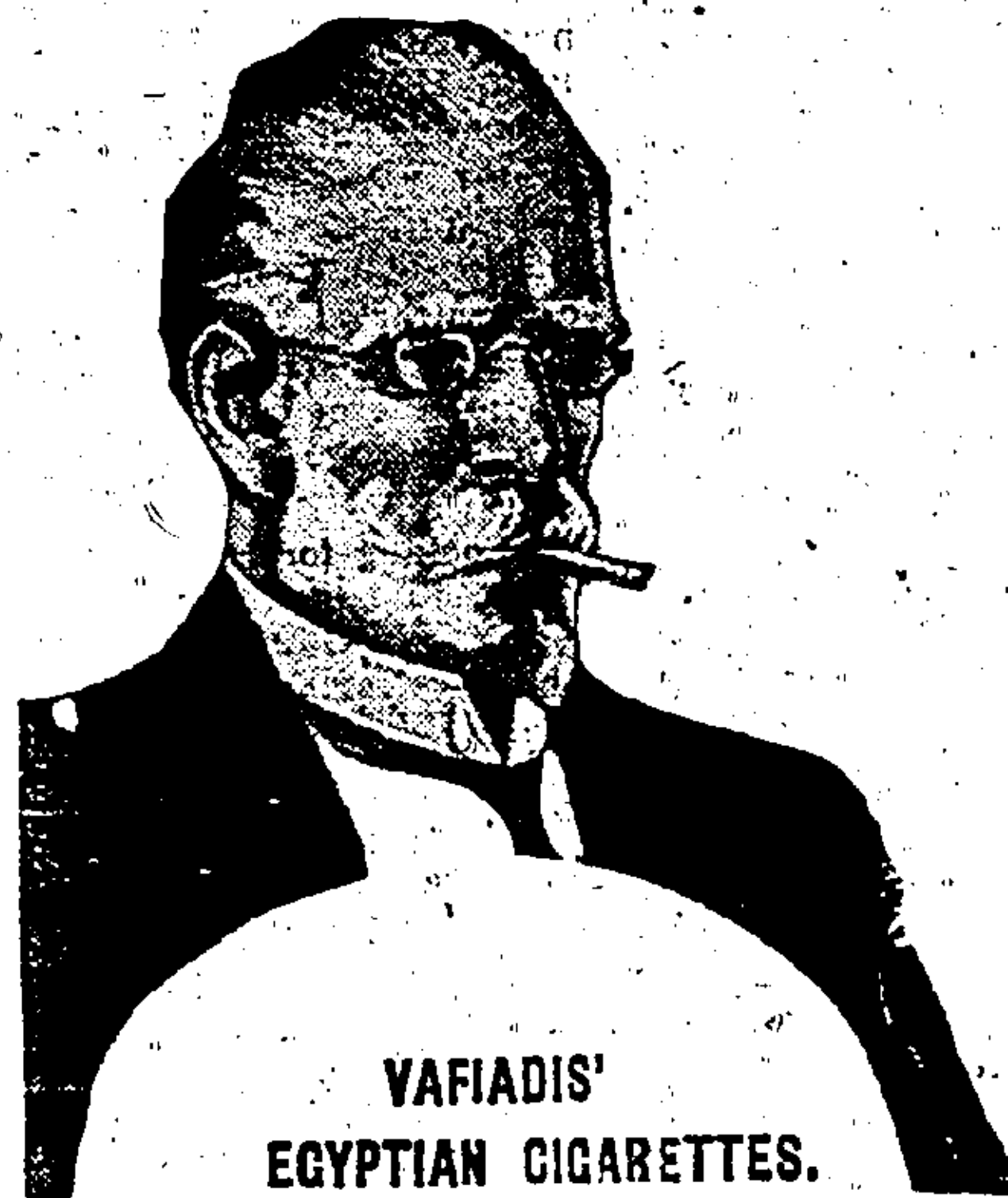
TO BE LET.—A FLAT in Nathan Road, Kowloon. FOUR ROOMED-HOUSES in Kowloon. Apply to:—
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FURNISHED HOUSE TO BE LET.—87 Peak from 1st May to 31st October. 6 ROOMS and usual offices, together with a large garden. Apply W. Meyrick Humphreys, c/o W. G. Humphreys & Co., 5, Duddell Street.

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FOR SALE.—TUSCULUM, Barker Road, 155 Peak. Apply Duncan Clark, c/o Lane, Crawford & Co.



VAFIADIS' EGYPTIAN CIGARETTES.

Imperial Bouquet per 100	4.65	\$5.30
Crown Prince " " 50	2.35	
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Extra Fine (Grand Format) 50	2.35	
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SOLE AGENTS:—

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HOTEL MANSIONS.

ARTIFICIAL ARMS.

New Model Controlled by the
Muscles of the Thigh.

An artificial arm for soldiers that seems to promise remarkable results in cases where the absence of a "stump" makes the usual Rehampton appliances practically useless has just been perfected by Mr. O. A. Sheehan, an exhibitor at the Royal Academy, who has put his knowledge of anatomy to this practical use. Ex-Lance Sergeant Godfrey, formerly of the Royal Welsh Fusiliers, who lost his left arm at Loos, gave a Daily News representative a striking demonstration of what the Sheehan arm can do.

Instead of being strapped to the abraded like the ordinary appliance, the arm is put on with the waistcoat, so that the weight and pressure are scientifically distributed. The movement of the elbow, and even the grip of the artificial hand, are controlled in a wonderful way by using the powerful muscles of the thigh, acting through a loose steel connecting rod. Mr. Godfrey—who only making his sixth experiment with the Sheehan arm, and can do nothing with the regulation appliance he has had since last July—swept the floor, used a hoe, lifted a bucket full of water on to a chair, and held a piece of wood firmly on the table for carpentry purposes, all by means of the new limb.

He maintains that even a man entirely without arm-stumps on either side could perform many useful tasks in this way.

Guns for the Troops.
Washington, January 1.—There will be a complete supply of rifles for all Americans called to the colours within a month, General Crozier, Chief of Ordnance, has announced.

NOTICES.

LANE, CRAWFORD & CO.

SOLE AGENTS FOR SPALDING'S ATHLETIC GOODS.

EVERYTHING FOR GOLF

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GOLF BALLS. CADDY BAGS.

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NOTICES.

G. R.

Any European, Non-Asiatic or Indian desiring to leave the Colony should apply in person at the Central Police Station between the hours of 9 a.m. to 1 p.m. and 2 p.m. to 4 p.m. daily. Applicants will be required to produce Passports or identification papers.

All persons with certain exceptions who remain in the Colony for more than 7 days are required to Register themselves under the REGISTRATION OF PERSONS ORDINANCE 1916. Forms of Registration giving the particulars required may be obtained at the G. P. O. and at all Police Stations.

The Penalty for non-compliance is a fine not exceeding \$50.

NOTICES.

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APPLICATION forms for Membership of the above Association may be obtained from all the Banks or from the undersigned.

THE UNION INSURANCE SOCIETY OF CANTON, LTD.
Honorary Secretaries & Treasurers.

Hongkong, 15th January, 1917

HONGKONG STOCK EXCHANGE.

The Committee has decided that the following shall be the settlement days for the year 1918:—

Tuesday 29th January
Friday 22nd February
Wednesday 27th March
Friday 26th April
Wednesday 29th May
Thursday 27th June
Monday 29th July
Thursday 29th August
Friday 27th September
Tuesday 27th October
Thursday 28th November
Friday 27th December

By order of Committee,
A. H. G. JACKSON,
Acting Secretary.
Hongkong Stock Exchange.
Hongkong, 28th December, 1917.

KEROSENE OIL.

We guarantee all kerosene oil sold by us to be pure and unadulterated.

Present price:—
"WHITE-ROSE."
\$5.55 per case ex store.
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CHING CHEONG.
188 Des Vaux Road Central,
2 blocks West of Cent. Market.
KWONG YUEN.
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FREE TO ALL SUFFERERS
THERAPION
The only medicine which cures all skin diseases, including eczema, psoriasis, and all other eruptions, without the use of surgery or other painful methods. It is a powerful antiseptic and disinfectant, and is the only medicine which can be used in all cases of skin disease. It is the only medicine which can be used in all cases of skin disease. It is the only medicine which can be used in all cases of skin disease.

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DOLLAR DIRECTORY CO.

Wishes You All

A PROSPEROUS NEW YEAR

Jan. 1st 1918.



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25 YEARS IN WOOD.

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Correspondents are requested to observe the rule which requires them to forward their names and addresses with communications addressed to the Editor, not necessarily for publication, but as an evidence of their bona fides. All communications intended for publication should be addressed to the Editor. Business correspondence should be sent to the Manager.

The rates of Subscription to the "Hongkong Telegraph" will be as follows:—Daily issue—\$36 per annum. Weekly issue—\$13 per annum.

The rates per quarter and per annum, proportional. Subscriptions for any period less than one month will be charged as for a full month.

The daily issue is delivered free when the addressee is accessible to messenger. Peak subscribers can have their copies delivered at their residences without any extra charge. On copies sent by post an additional \$1.80 per quarter is charged for postage. The postage on the weekly issue to any part of the world is \$1.00 per quarter.

Single Copies, Daily, ten cents. Weekly, twenty-five cents (for cash only).

Advertisements and Subscriptions which are not ordered for a fixed period will be continued until countermanded. (Payable in Advance.)

The "Hongkong Telegraph" is now on sale at, and will be delivered to subscribers by, the Dairy Farm Company, Ltd., Shameen, Canton, who have been appointed our agents there. By Order, "HONGKONG TELEGRAPH."

The Hongkong Telegraph.

HONGKONG, WEDNESDAY, JANUARY 9, 1918.

DIVIDED COUNSELS IN GERMANY.

Those who are watching the attitudes of the peoples of the belligerent nations at the present moment will find interest and possibly some significance in the fact that the extreme and the more moderate schools in Germany have come somewhat into conflict over the question of the peace negotiations with the only country that has yet shown any inclination to cease warring. That this split has occurred is a fact of some importance, and the probability is that if the full text of Mr. Lloyd George's speech ever gains circulation in the Fatherland the result will be an even more marked divergence between different sections, more particularly between the Junkers and the people themselves. At any rate, even left to themselves the Germans are unable to agree, and the latest outburst which is recorded may be viewed as an indication of deeper uneasiness beneath the surface.

It appears that the German Foreign Minister's handling of the peace negotiations with the Russian delegates has not been to the liking of the well-known *Krupps* organ, the *Rheinische Westfälische Zeitung*, which says that his conduct of affairs is at the bottom of the trouble which led to talk of the possible retirement of General von Ludendorff. There has been a conflict, apparently, between the Foreign Minister and the military element, the latter seeing in Herr von Kuehlmann's concession of renunciations in the Eastern Front a possibly similar development in the main theatre of the war. This incident is sufficient to show that divided counsels prevail in the Fatherland, and that is easily to be believed. The possibility is that the Foreign Minister, knowing full well that the bulk of the people have suffered to the point of endurance, is anxious to give the masses further unnecessary hardships, whereas the Pan-Germans, conscious of the fact that defeat in this war will mean the loss of their power, are determined to fight on to the last, cost what it may in blood and treasure. The whole point, of course, centres in the question as to which side will come out uppermost. Mr. Lloyd George has made it abundantly clear in his statement of war aims that the Allies are not fighting a war of aggression against the German people, and he has shown that the destruction or disruption of Germany or the German people has never been one of our objects either in entering or continuing the war. That being the case, the lesson is as plain as plain can be to the German masses—that it is that we are battling merely against a military autocracy which, in the interests of the Germans themselves, must be rooted out.

The responsibility of continuing the war, if it lasts much longer, must rest on the heads of the Germans, for they have been told in transparently clear language the conditions upon which we are prepared to discuss peace. Those conditions are in every way such as must command themselves to all but Imperialists and Autocrats. Ours is essentially a people's cause. That being so, it is sheer absurdity and utter lying for the German Press to speak of Mr. Lloyd George's speech as revealing "the old Imperialistic aims." As Professor Forster himself admits in the *Berlin Post*, "Britain and the Allies are waging war to remove the war peril from the world." Our conscience is clear in the matter, and, having definitely stated our aims, we can go forward, firm in the justice of the task we have in hand, and able to treat with disdain the threat of an answer by German submarines and German troops. Our hope is that the German masses may now learn of the British statement of war policy, in which event it is not improbable that the future will witness some startling developments in the Fatherland, which is already torn with no inconsiderable dissension.

Two Important Posts.

The announcement, just made, that Viscount Reading and Viscount Northcliffe have been appointed to two very important posts should not come much in the nature of a surprise, as both have been of late closely identified with weighty Government affairs of a special and a very important character, relating in both cases particularly to the United States. Viscount Reading's appointment is that of High Commissioner to the United States—a position, it would appear, that is likely to combine the duties usually performed by our Ambassador at Washington and duties dealing specifically with our war preparations in relation to those of the United States. The resignation of Sir Cecil Spring Rice, who, until quite recently, was our Ambassador at Washington, is thus fully explained—or as fully explained as it is likely to be in the meantime. Viscount Reading's new post is stated to carry with it "the character of Ambassador on Special Mission, with full authority over all British Missions in the United States." Thus it is superior to that of which Lord Northcliffe is the head. As to Lord Northcliffe's appointment, it would appear to be merely a confirming on a more permanent basis of the post he has held for some time, namely, that of head of the British Mission to the United States; the only difference being that his Lordship instead of conducting the business in the United States will do so in London. The appointments will no doubt be of considerable benefit both to the British Government and to the Government of the United States.

The Appointments. So much of a very varied character has been written from time to time regarding both Viscount Reading and Viscount Northcliffe that it may not be unprofitable if we here attempt to state "without fear or favour" what sort of men both really are. It is generally recognised that both men are extremely able and remarkable in many respects. Viscount Reading was well-known and greatly admired as a brilliant barrister, when as plain (comparatively so) Sir Isaac Rufus he was generally conceded to be the most brilliant member of the English Bar. His career has all along been truly wonderful—no doubt look still, without abilities of a very powerful order he never should have attained to the office of Lord Chief Justice and to his new appointment at the comparatively early "age" at which he has reached them. As to Viscount Northcliffe, he is, as is well known, even a much more discussed man than his present distinguished colleague. For ever, no doubt, Viscount Northcliffe's name will be identified with the *Harmsworth* Press. Indeed, it is not so long ago since he was plain Mr. Arthur Harmsworth, the founder of the London *Daily Mail* and many other less known publications of a similar character. He has also been the head of *The Times* since it passed out of the financially moribund state into which it had regrettably fallen. Viscount Northcliffe is first and foremost a business man, and it is clear that he is a singularly able one. Before he was forty he was probably a millionaire by his own efforts, and was also the head of a large number of important commercial organisations. His Lordship never was, never posed as such, and probably never will be, a great journalist, much less a literary man in the true sense of the term. He is, however, unquestionably a very bright and brainy individual, and, particularly since the war, he has been a distinguished public servant—a man of clear insight and of great ability, and one who is well worth considering with an unbiased mind.

Stolen Camphor Wood. A Chinese coolie was charged before Mr. J. R. Wood, at the Police Court this morning, with stealing a large piece of camphor wood, from the Sam Nam Lumber Yard, Hung Hom. A Chinese constable saw the man take the wood away. Sentence of three months' hard labour was passed.

A Stolen Raft. When a Chinese was charged before Mr. J. R. Wood, at the Police Court this morning, with the larceny of a raft from the timber yard of the Kowloon Government, it was stated by Inspector Gordon that the man was arrested carrying it in the Canton Road. A previous conviction was proved against the man, and he was sentenced to six weeks' hard labour.

Looking for His Brother. Although he was only banished last year, a Chinese was arrested yesterday in Hongkong and found himself charged with a breach of the banishment order before Mr. J. R. Wood, at the Magistrate's Court this morning. The excuse given for the return was that he had come to Hongkong to look for his brother. His Worship passed the usual sentence of one year's hard labour and four months' strokes.

"Something Funny." A private rich-ba coolie employed by Dr. Forsyth, was charged before Mr. J. R. Wood, at the Police Court this morning, with disorderly conduct in Connaught Road Central yesterday. Crown Sergeant Davitt stated that there was something "very funny" about the case and Mr. T. H. King, A.S.P., would like a remand for a few days so that enquiries could be made. Dr. Forsyth would probably attend. His Worship remanded the defendant until Saturday morning, fixing bail at \$5.

Heavy Fines. A youthful Chinese was charged before Mr. J. R. Wood, at the Police Court this morning, with the unlawful possession of fifteen tael of prepared opium and fifteen tael of opium dross. It appeared that the man was arrested whilst walking in the street, and told the usual story of having been given the drug to bring to Hongkong by a friend. It was found concealed in his clothing. His Worship imposed fines of \$1,500, or four months' hard labour, and \$150, or two months' hard labour.

Resented being Searched. An Indian watchman, employed at the China Sugar Refinery, charged a Chinese employee of the works with assault, at the Police Court this morning. The watchman told Mr. J. R. Wood that the man was leaving by the main gate and resented being searched in the usual way. He struck the complainant on the head with a large iron hook, causing a severe wound. The Chinese said that the Indian was very rude to him and struck him first. His Worship refused to believe the Indian's story, and discharged the defendant.

More Piracy. The report of another piracy has been made to the police by a woman employed on a large fishing junk at Tai O. She reports that on January 5, whilst near Ping Hoi, Chinese territory, a launch came alongside, and about 30 men, armed with rifles and knives, boarded the junk. The crew was driven below, and the junk was ransacked. Several shots were fired, and after the pirates had been aboard for over one hour, they made off, taking with them articles valued at \$180 and firearms valued at \$80. It was later found that two men had been killed, one being the owner of the junk and the other a servant. One man was kidnapped, and three men and an old woman were wounded.

Cold Weather in America. Washington, December 31.—It is 13 below zero here, four below in N. Y. City, and 20 in Philadelphia and vicinity. A cold wave has also struck the south and there is considerable suffering on account of the coal shortage.

DAY BY DAY.

HISTORY IS LITTLE MORE THAN THE REGISTER OF THE CRIMES, FOLLIES AND MISFORTUNES OF MANKIND.—Gibbon.

To-morrow's Anniversary. To-morrow is the anniversary of the introduction of Penny Postage (1840).

The Dollar. The opening rate of the dollar on demand to-day was 3s. 0 7/8d.

Stolen Camphor Wood. A Chinese coolie was charged before Mr. J. R. Wood, at the Magistrate's Court this morning, with stealing a large piece of camphor wood, from the Sam Nam Lumber Yard, Hung Hom. A Chinese constable saw the man take the wood away. Sentence of three months' hard labour was passed.

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THE LATE MR. ON-KAM WA.

An Impressive Funeral Procession.

Last evening the remains of the late Mr. On Kam-wa, whose death took place suddenly at Canton on Friday, were conveyed with appropriate ceremony to the Tung Wah resting-house at Sandy Bay, prior to eventual interment. The body had been brought down from Canton by the s.s. Paul Bean on the previous day, and a huge assembly gathered at the French Canton wharf at 5 o'clock last evening to participate in the procession. Crowds of Chinese congregated in the vicinity, while thousands of others thronged the route through Kennedy Town. There were the usual characteristics associated with a Chinese funeral, the procession including little girls strawing flowers along the route, symbolic figures, Chinese musicians, banner-bearers, etc. A portrait of the deceased also figured in the procession. After the wreath-bearers came Chinese priests, the mounted Police Reserve, and then the coffin and chief mourners, who were followed by the Police Reserve Band, the Ambulance and Portuguese Companies of the same organisation and the general public. The Police Reserve escort attending the coffin was under the command of Chief Inspector J. M. Wong and the mounted detachment in charge of Inspector Gegg. A separate detachment composed of Superintendents and a number of the Staff and Company Inspectors and Sergeants of all other units, under the command of Mr. F. C. Jenkin, D.S.P. (R.), also attended as a mark of respect to the deceased, who had been a great benefactor to the Corps. Among those following were:—The Hon. Mr. O. M. Messer, O.S.P., Mr. P. P. J. Wodehouse, Mr. H. J. Gagg, Mr. A. M. Preston, Mr. D. K. Blair (representing the British Chamber of Commerce and the Association of Exporters of Hongkong), representatives of the various Chinese bodies with which the deceased was associated, and many other prominent Chinese residents, including Mr. Wei Yek, C.M.G., Hon. Mr. Lau On Pak, Hon. Mr. Ho Fook, Dr. G. H. Thomas, Dr. Kwan, Messrs. Chan Siu Ki, F. C. Mow Fung, J. M. Wong, Wong Kwong Tin, Tong Lai Chuen, Fung Ping Shan, Li Ping, S. W. Tao, On Chi Chiao, Chan Jin Wan, Law King Chi, Ngam Tin Hang, On Hung Chi, Kwai Ping Lam, Lim Cheuk, Li Po Kwai, Kwok Siu Lam, T. N. Chan, Chan Kai Ming, Leung Siu Tang, Tse Yam Chi, Chan Cheuk Fan, Lo Ono Shan, Ho Lai Shek, Ho Kwong, Chan Nung Hang, In Ka On, Wong Fa Nung, Kwan Fong Kak, Lam Shau Shan, Lam Hung Lun, Ho Ngok Lam, Choi Kwai Ng, Chan Chi Nam, Tam Pak Sing, On Chi Chak San and many others.

On the arrival of the cortege at the Tung Wah Hospital, the last rites were performed by the Chinese priests, the Police Reserve Band played Chopin's Funeral March and three blasts were blown by the buglers. Refreshments were served and, as is customary, white handkerchiefs were distributed to those present. There were over two hundred wreaths, these including tributes from the British Chamber of Commerce and the Association of Exporters, the Chinese Chamber of Commerce, the Chinese Recreation Club, the Hongkong Police Reserve (Chinese section), and Messrs. A. B. Lowe and E. A. M. Williams.

Burned German Supply Depot. Copenhagen, November 20.—The trial by court-martial of a French prisoner of war has brought out the hitherto suppressed fact that the commissary storehouse at Augsburg, Bavaria, containing hay, straw, and flour from last year's crop to the value of nearly 1,000,000 marks, has been destroyed by an incendiary fire. The prisoner admitted having set the fire and was condemned to death.

Openness repeated his contention that party contributions should not be a bar to honours. But the Government meant to set their face against the scandals alleged. Still, the preamble to the resolution conveyed a serious implication on four living Prime Ministers. Lord Loreburn had worn the mantle of impeccable virtue, but he reminded him of the action taken by the Government of which he was a member in 1911, when it was announced that the then Prime Minister had received the assent of the Sovereign to the creation of a large number of peers in order to override any possible opposition to the passage of the Parliament Bill. How could he have defended the individual appointments in that case?

The Resolution was amended and finally adopted, without the preamble reflecting on Prime Ministers. This was defeated by 48 votes to 34. The operative words of the Resolution will be:—

It is desirable that the Prime Minister, before recommending any person for any honour or dignity, should satisfy himself that no payment or expectation of payment to any party or political fund is directly or indirectly associated with the grant or promise of such honour or dignity.

PEERS AND SALE OF TITLES.

Revelations in the Second Chamber.

Earl Loreburn in the Second Chamber recently, moved his resolution requiring a declaration to both the Sovereign and the people that honours are not sold. A friend had told him that five or six years ago he had been three times offered a baronetcy for £25,000 and a knighthood for £15,000, the latter quotation being reduced to £10,000, with a promise that the subscription would count for a future baronetcy. He had heard of several such transactions.

Lord Salisbury dealt with special cases. He said that Sir James Gilmie, secretary to Soldiers' and Sailors' Families Association, had told him that he was offered £25,000 by one person and £10,000 each by two others, towards the funds of the Association if he would undertake to use his influence to obtain a baronetcy or knighthood for each of the individuals concerned. Sir James declined to have anything whatever to do with such transactions, with the result that not a penny of the money went to the Association.

Another case was that of Mr. George Hulman, who had been seven times Mayor of Lewes, Sussex, and had done much public work. At the end of his seventh mayoralty some of his friends interviewed the party Whip at headquarters with a view to getting some honour for him. The Whip agreed that it was a clear case for an honour, but asked, "What is he prepared to give to my party funds?" Mr. Hulman said in no circumstances would he contribute to the party funds, and the Whip refused to carry the matter further without such a contribution.

Other cases, Lord Salisbury said, had been forwarded to him by Sir George Kewich, formerly Permanent Secretary to the Education Department, and at one time member for Exeter. Sir George assured him that when he was in Parliament, at the time when the Licensing Bill of the Liberal Government was before the House, a friend of his, not unconnected with the "Trade," came to him and said he wanted a knighthood. He was introduced to the Whip, and was told there would be no great difficulty about his request. The man was a Liberal and a benefactor of the borough in which he lived, of which he had been Mayor. He was told there were two conditions, he would have to follow. The first was to abandon his opposition to the Licensing Bill, and the second was to subscribe £5,000 to the party funds. The man agreed to these conditions, and his name appeared in the next list of honours.

Earl Curzon repeated his contention that party contributions should not be a bar to honours. But the Government meant to set their face against the scandals alleged. Still, the preamble to the resolution conveyed a serious implication on four living Prime Ministers. Lord Loreburn had worn the mantle of impeccable virtue, but he reminded him of the action taken by the Government of which he was a member in 1911, when it was announced that the then Prime Minister had received the assent of the Sovereign to the creation of a large number of peers in order to override any possible opposition to the passage of the Parliament Bill. How could he have defended the individual appointments in that case?

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TO-DAY'S MISCELLANY.

Posts for two former private secretaries of a Prime Minister have been found in the Ministry of R. construction, where Mr. Vaughan Nash becomes joint secretary and Sir M. Bonham Carter, one of the assistant secretaries. Mr. Nash was private secretary to Sir H. Campbell-Bannerman from 1905-8, and to Mr. Asquith from 1908-12, when he was succeeded by Sir M. Bonham Carter, who became Mr. Asquith's son-in-law. Mr. Nash, who was for some years on the staff of the *Daily News*, should find his experience as vice chairman of the Development Commission useful in his new post. Another of the new assistant secretaries is Miss Mona Wilson, of the Women's Trade Union League.

The announcement that the Rev. William Temple is resigning the living of St. James Piccadilly, to devote himself for two years to promoting the Life and Liberty Movement in the Church of England, will remove one prominent name from the list of likely nominees to any bishopric that falls vacant—hereford, for example. Mr. Temple's ecclesiastical future has always been and still remains a matter of extremely interesting speculation. His most recent decision has at least a superficial significance in view of the early declaration of the founders of the Life and Liberty Movement that in the event of the bishops declining to endorse the principles of the movement, its promoters would adopt a Sinn Féin strategy and decline all preferment and advancement in the Church. It is not supposed for a moment that Mr. Temple's resignation of his living has any direct connection with that policy, but the association of the act and the idea has at least a superficial interest.

The latest Parliamentary by-election in England has not attracted the attention it should have. The death of Sir William P. Byles having vacated the seat in North Balford, Ben Tillett, the Labour leader, was nominated as a labour candidate, whereupon the Liberals and Conservatives put up as a coalition candidate Sir Claude Mallet. As Sir Claude's family goes back to Henry the Eighth, it is of some antiquity. In addition he has been an Ambassador in the British diplomatic service. Ben Tillett, on the other hand, has served on a fishing smack, been a boot-maker's apprentice, a sailor in the navy, and a dockyard worker and strike leader, for which latter activity he has been in jail more than once. He is moreover of the Socialist faith. His four previous efforts to enter Parliament were easily defeated, but at North Balford he vanquished Sir Claude by 2,822 to 1,545 votes, an extraordinary overturn, even in view of the "stale" register and the small poll. This result will seem of especial significance to those who look for a Labour Ministry for England at the close of the war, if not before. It is certainly a sign of the extraordinary growth of British Labour's power in politics since the war began.

A French magazine which has occupied itself very eloquently of late in discussing the misadventures of "Les Tommies" and "Les Samnais," as it calls the British and American soldiers now in France, has presented its readers with the surprising "discovery" that in the affectionate shorthand of an English letter crosses stand for kisses! We have as a nation been in the habit of bawling our insolence of France and things French. At any rate, this item of information should comfort us with its suggestion that the French are in some respects reciprocally in a no more enlightened condition than ourselves. But the same journal has another piece of information to impart which, if it is authentic, is certainly news. Before the war, we are informed, the English soldier was in the habit of writing on the flap of his envelope the letters S.W.A.K., which we were informed, stood for "Sealed with a kiss." Since the institution of the field censorship, it appears, this practice has been discontinued on obvious grounds of sentiment.

THE WORKERS' PARADISE.

Labour and the Future.
M. P. Willcocks writes in the Daily News as follows:—

I once saw in a shop window a ghastly notice. It was "Mangling done down the passage." Such a legend might surely nowadays be adopted as a Press motto. There is, for instance, so much mangling going on at the moment over industrial unrest that this emblem is fast becoming a sort of mysterious King Charles's head. And this is unnecessary as well as dangerous. It was Disraeli who went to the root of the matter when he spoke of "the two nations." For industrial unrest is, of course, no product of the Great War, though it has been intensified by that event. It is, however, (in its modern and urgent form) the offspring of the machine.

There have been many classifications of the two nations. One calls them the Haves and the Have-nots, while a contemporary journalist divides them into those who work for the State, either as employers or employees in controlled firms, and those who are free of it. But this is a cross-classification, since the forces of Labour belong to both categories, railwaymen and miners being in State employ, and textiles and potteries being State-free trades. A very different dividing line is the one known mainly to the worker himself. He will not at first put it into words, but if you probe deep, you will find it. It is that between those who serve the machine and those who are free of it, either because they are exploiting machinery for their own benefit, or are getting their living in the old free human way, as most professionals do. But now even agriculture and medicine are coming under the machine. Also, if we extend the term machine to cover all systems which use men as mere cogs in an organisation, for the purpose of producing effects apart from the worker's own individual well-being, we have the final expression of what, to the worker, is tyranny. The two nations, then, are the slaves of the machine and the masters of it; and until the two nations are merged in one, that is, until there is no class left which the machine does not serve, there will continue to be industrial unrest.

Live mentally with the worker and you will find that old and young have seen a vision of some unknown good on which they would lay hands. This is not a mere paradise of high wages and short hours. That first, of course, but as a means only to something quite different. There is among them now a word to conjure with. It is repeated as a charm, and it is education. They could not tell you exactly what they mean by it; but the wisest of them know one thing: that they do not desire education merely that they may be more efficient parts of any machine whatever, whether that machine be a State or a power-loom. They feel that there is a mighty Change at the door, that there is coming, or should be, a Better Time than mankind has known before, and that, materially, the agent of that Change is science. For no one, except the scientist, knows better than the skilled engineer what machinery could do, if it were properly used, to ease and beautify life.

With what concrete imaginings is the mind of the worker now busy? First, with the new town that is to have electric power which, being worked by natural sources, shall be able to give free transit to all and to supply heat and light to all houses, thus removing at a stroke the weary drudgery of the woman, and feeding the factories that ring the town, with outside them, a circle of farms, so that town and country may enter into a partnership of understanding. He looks for enormous shortening of the hours of labour, down as low, in some cases, as a four-hour day. The only slave shall be the machine itself, and that shall work, if we wish, twenty-four hours out of the twenty-four, being served by many short shifts, so solving at a stroke the twin problems of industrial slavery and unemployment.

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This is the rough basis of the workers scheme of reconstruction. It may come without struggle—that depends on the good-will of "the two nations"—to one another—or with it. But come it must. And whatever changes it may bring in the lives of the employing class will be more than repaid to them by the world of trust and freedom into which their children will be born. For the worker who has a practical knowledge of science realises, as many middle-class people do not, that we are on the eve of another leap forward in industry comparable only to the advance made in the first part of the nineteenth century. We shall solve many of the problems of distribution by turning from railway to airway; by the application of science to agriculture and of atomic energy to industry we shall produce on a scale that baffles all measurement by present ratios. But he is not minded to see what the nineteenth century saw—the greater part of these blessings pass him by, while his children enter into the prison house of an immensely increased, because an immensely more scientific, speeding up. He has learnt in Flanders what the destructive machine can do with men; he has been learning slowly for a century, so that the knowledge has eaten into his blood and bones, what the machinery of production has done for him and his children.

At first contact I could not understand the ingrained distrust of the worker for the employer, as a class. So deep is this sometimes that it can only be compared with another instinctive horror, that of the woman for the snake. But when I read Industrial History as it is written to-day, I understood. I saw the tale of the flinging of the workers' children to the Moloch of the machine, of the anti-combination laws which turned the reformers into felons, of the assessment by employer magistrates of wages at a rate so low that the toilers had to be fed by the Poor Law. To the leisure class to-day this is, of course, but a story of long ago. We don't care pauper children to the factory as food for the machine, we have Labour magistrates and the Triple Alliance of Labour as a sky sign in the heavens. Neither does the worker keep actual count of this story, but the memory of it lives in his blood like a half-quiescent germ. And every time he is treated unjustly this germ of distrust becomes active again. And always present are his "conditions": the housing scandals reported on by the Commission, his one million cripple children that are the fruit of their parents' poverty, his cramped environment so that for the average worker a journey on the Continent is as hard as the passage of a rich man through the eye of a needle. And so the Whitley Report, even, is regarded with suspicion. The lion lies down with the lamb? Surely not, they say. Yet the gulf must be bridged between "the two nations," for only so can we avert revolution. And one thing is perfectly certain—no one ever built a bridge who went half-heartedly to work on it.

Alice Memorial Hospital.

The Hon. Treasurer of the Alice Memorial and Affiliated Hospitals begs to acknowledge with thanks the following donation to the funds of the Hospitals:—Chinese Entertainment per Mr. Chan-kang U, \$500.

THE SUBMARINE CRUISER.

Now, an Accomplished Fact.

The naval expert of the Daily News writes:—Hitherto regarded with some scepticism, the super-submarine by which is usually understood a vessel in the neighbourhood of 5,000 tons as compared with 800 of our E class—seems now to have passed definitely out of the hypothetical stage, for it has been stated recently by Admiral William S. Benson, Chief of Operations in the U.S. Navy Department, that Germany is believed to have such boats in service.

What the characteristics of these craft may be we do not know. In his speech at Sheffield recently Admiral Jellicoe is reported to have stated that the latest German submarines can steam on the surface "between 18 and 40 knots." The First Sea Lord added that modern boats could remain under water for 48 hours without coming to the surface, that they could fire with considerable accuracy while showing only three inches of periscope above the water.

These features alone would necessitate dimensions considerably above those of the submarine standards of pre-war days, especially when coupled with armaments occasionally comprising two guns of about five inches calibre and two or more machine-guns.

The credit for designing the first 5,600-ton submarine rests with a Russian engineer named Shuravitski, and it is remarkable how the characteristics of his suggested ship have been repeated over and over again in reports of Germany's alleged designs since the beginning of the war.

Shuravitski's design first saw the light in 1911, and these were its principal details:

Length ... 400ft.
Tonnage on surface ... 4,500
Tonnage submerged ... 5,435
Horse-power on surface 18,000
Max speed on surface 25 knots.
Max speed submerged 14 knots.
Radius of action at 11 knots 18,500 miles.
Armament: Five 4.7-in. guns, 30 torpedo tubes, 120 mines.

In the summer of 1916 it was reported that Germany was building submarines which approximated closely to the Shuravitski design, and one wonders whether this was actually so or whether someone was making a profit out of his knowledge of the original Russian design.

When it was suggested recently that the attack on the North Sea convoy might have been made by submersible cruisers, an official of the Admiralty was reported as saying that there was "no knowledge" of such vessels being in existence. On the other hand a representative of Bente's was told by "a high British naval authority" early in September: "There are evidences that larger U-boats—approximately, to a cruiser type—are being turned out" (by the Germans).

In many ways the increasing size of the submarine must change the problem confronting our own authorities, and it must be presumed that the increase was anticipated and has been provided for.

DAIRY FARM NEWS.

POULTRY.

OUR

HOUSE FED CAPONS

AND

CHICKENS

ARE THE BEST IN THE EAST

—:O:—

TENDER EATING, DELICATE
FLAVOUR—TRY THEM.

CANTON NEWS.

Some Sequels to the Bombardment.

Our Canton correspondent writes under date of January 8 as follows:—

In reply to telegrams from the Tachun, Admiral Ohing Pih-kwong and Dr. Wu Ting-fang regarding the bombardment, Lok Wing-ting has urged them all to do their best to maintain order and avoid differences between the parties. The Tachun, after receiving the telegram, sent a representative to see Lok on important matters.

Li Fook-lam, the Commander in Ho nam, has reduced the number of Dr. Sun's bodyguard and distributed them for patrol purposes. Dr. Sun's party has proposed that the Generalissimo should be requested to be Commander-in-Chief of the expeditionary army for Fokien, so that his military ability may be displayed.

Further information in regard to the general meeting in the Tachun's yamen states that the Tachun first explained that he had previously understood what would happen, therefore he ordered that the fire should not be returned. It was all Dr. Sun's action and he (the Tachun) requested those present to propose what he should do in future for the sake of the people. A gentleman replied that measures must be taken to prevent Dr. Sun from causing further trouble, but as no one supported this proposal, the majority declared that if the Tachun would be responsible for the welfare of the place they will say nothing. The meeting then terminated.

Admiral Ohing Pih-kwong intends to issue a notice that his squadron will not fire a single shot without his orders.

The Tachun has ordered the commanders of all forts, not to allow any warship to pass out unless they have been previously notified by him or the Admiral's orders. He has despatched four torpedo boats to patrol outside of the Boos Tigris Fort.

JUST ONE AFTER DINNER

will prevent that uncomfortable heavy feeling and aid digestion. Two taken at bed time dispel Constipation as gently as nature next morning.

PINKETTES

cure Biliousness, Sick Headaches, Liverishness, clear the complexion and sweeten the breath. Of all chemists, or post free for 60 cents the phial, from Dr. Williams' Medicine Co., 98 Szechuen Road, Shanghai.

Bishop Pozzoni.

We are informed that the Right Rev. Bishop D. Pozzoni left the Colony this morning on an urgent visit to Hoi-fung and the surrounding district.

CORRESPONDENCE.

(The opinions expressed by correspondents are not necessarily those of the "Hongkong Telegraph.")

WAR SAVINGS.

(To the Editor of the "Hongkong Telegraph.")

Sir,—It is with much pleasure that we are able to announce that arrangements have been made whereby members' further subscriptions to the Hongkong and South China War Savings Association will, until further notice, be invested in the "War Loans Investment Trust of Malaya" yielding interest at six per cent. instead of in 5 per cent. National War Bonds.

Yours etc.,
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Hon. Secretaries.
Hongkong, Jan. 9, 1918.

TO-DAY'S
ADVERTISEMENTS.

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Gr. LORD, R.G.A.
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"TO-NIGHT'S THE NIGHT."

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Superintendent.

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SHIPPING

C. N. C.

CHINA NAVIGATION CO., LTD.

SAILINGS SUBJECT TO ALTERATION.

For Steamers. To Sail.

SHANGHAI Shanghai 10th Jan. at 3 p.m.

SWATOW & BANGKOK Chinnua 11th Jan.

SHANGHAI Yingchow 12th Jan. at 3 p.m.

SHANGHAI Suyang 15th Jan. at 3 p.m.

SHANGHAI Sinkiang 17th Jan. at 3 p.m.

SHANGHAI LINE—PASSENGERS, MAILS AND CARGO.

Excellent Saloon accommodation. Amplestips; Electric Light and

Fans in Saloon and State-rooms. Regular schedule service between

Canton, Hongkong and Shanghai, taking Cargo on through Bills of

Lading to all Yangtze and Northern China Ports. Passengers are

Landed in Shanghai, avoiding the inconvenience of transshipment

at Woosung.

For Freight or Passage apply to

BUTTERFIELD & SWIRE,

Agents.

Telephone No. 35.

Hongkong January 9, 1918.

JAVA-CHINA-JAPAN LIJN.

Regular Fortnightly Service between

CHINA and JAPAN.

Steamer From Expected in or about Will leave on or about For

Tjitaroom Amoy in port 9th Jan. Java

Tjitaroom Java & M'sar in port 13th Jan. Kobe

Tjitaroom Java 21st Jan. 27th Jan. Shanghai

Tjitaroom Amoy 21st Jan. 24th Jan. Java

The steamers are all fitted throughout with electric light and

have accommodation for a limited number of saloon-passengers. All

steamers carry a duly qualified surgeon. Cargo taken at

through rates to all ports in Netherlands-India and Australia.

For particulars of Freight and Passage, apply to the

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DOUGLAS STEAMSHIP CO., LD.

HONGKONG & SOUTH CHINA COAST PORT SERVICE.

Regular Service of Fast, High Class Coast Steamers having

good accommodation for first Class Passengers, Electric Light and

Fans in state-rooms and Saloons and Excellent Cuisine.

FOR SWATOW, AMOY AND FOOSHOW AND RETURN.

(Occupying 9 to 10 days.)

Steamships. Captain Leaving.

Haikun ... [A. E. Hodgins] ... TUES. 15th Jan. at noon.

FOR SWATOW.

Arrivals and Departures from the Company's Wharf (near

Blake Pier).

For Freight and Passage, apply to

Douglas Lapraik & Co.,

General Managers.

INDO-CHINA STEAM NAVIGATION CO., LTD.

(Projected Sailings from Hongkong.—Subject to Alteration).

For Steamship On

SHANGHAI via Swatow Wingsang Thur. 10th Jan. at d'light.

HAIPHONG Taisang Fri. 11th Jan. at 7 a.m.

MANILA Loongsang Fri. 11th Jan. at 3 p.m.

MANILA Yuensang Fri. 18th Jan. at 3 p.m.

SANDAKAN Mausing Tues. 22nd Jan. at noon.

HAIPHONG Taksang Tues. 22nd Jan. at 7 a.m.

CALCUTTA LINE.—Three sailings per month from Hongkong to Calcutta calling at Singapore and

Penang.

Returning from Calcutta steamers proceed to Kobe and Moji, frequently calling at Shanghai.

These steamers have excellent passenger accommodation, are fitted with Electric Light and

carry a fully qualified Surgeon. This line is temporarily discontinued owing to the war.

Particulars of application.

SHANGHAI LINE.—Sailings approximately every five days between Canton and Shanghai, sometimes

calling at Swatow. Steamers on this line have a limited amount of passenger accommo-

dation, and through tickets can be obtained for Northern and Yangtze Ports via Shanghai.

Through Bills of Lading are issued to all Northern and Yangtze Ports.

MANILA LINE.—A weekly service is maintained with Manila by vessels with good passenger accom-

modation, sailings from both ports every Friday.

HAIPHONG LINE.—Sailings approximately weekly for passengers and cargo, calling at Haikun when

indicated on offers.

BORNEO LINE.—One sailing per month between Hongkong and Sandakan by a steamer having up-to

date accommodation for passengers.

Cargo taken on through Bills of lading for Kudat, Jesselton, Labuan, Tawau and Likiep, Davao.

TIENTSIN LINE.—A regular service is run from March to October between Hongkong and Tientsin

calling at Weihaiwei and Chefoo.

Under Straits Government Passport Regulations.

All European Passengers, leaving the Colony for Straits Settlements, are required to produce on arrival at destination passports

with their Photographs and description affixed thereto.

For Freight or passage, apply to

JARDINE, MATHESON & CO., LTD.

Telephone No. 215.

General Managers.

SHIPPING NEWS.

Seamen Refuse Duty.

Jose Garinza (47), Spa yard,

Samuel Baker (5), Herbert

Yearwood (25), Ernest Albrecht

(28), and Joaquin Dos Santos (34),

Portuguese subject, all seamen,

were charged at West Ham with

disobeying lawful orders given

on the high seas. Mr. Stern, who

prosecuted said the case was

regarded as of a very serious

nature, and he desired to ask for

a remand in order to consider

whether further charges should

not be preferred against the men.

The prisoners, who were firemen

on board, were ordered down to

the engine-room. They all refused

to go down and remained on deck

with lifebelts on and their effects

beside them. A remand was

ordered.

Control of Japanese Shipping.

The restrictions on shipping

imposed under the Wartime

Shipping Control Law have been

somewhat modified since the

recent rupture of the Japan-

American negotiations on the

iron and tonnage question. No

official announcement to this

effect, however, has been made;

it is simply assumed on the

strength of the fact that applica-

tions have been considered more

promptly and permission has

been given where it was formerly

denied. To get a more definite

moderation of the shipping

restrictions, the management of

the Japan Shipowners' Association

has had conferences with

Baron Den, the Minister of

Communication, and other

officials concerned. The shipown-

ers asked that the regulations be

so altered that Japanese steam-

ers may be operated between

foreign ports near Japanese

waters without formal Govern-

ment permission being necessary,

the owners simply reporting

that fact to the authorities.

The authorities have refused the

request on the ground that it

would necessitate a revision of

the Control Law, but have given

assurances that the necessary

permission will be given as

quickly as possible. Baron Den

has made no definite statement

on the matter, but it is understood</

DEPTH BOMBS.

OWN OFFICE
QUEEN'S BUILDINGS,
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STOP PRESS TELEGRAMS.

A French communiqué states:—After a lively bombardment, the enemy attempted to approach our lines in the region of Beshincourt on the left of the Meuse. Our fire broke up the attempt and inflicted loss on the assailants. Six enemy aeroplanes were brought down or seriously damaged. Our air squadrons heavily bombed during the night aniline works at Ludwigshafen, the railway station at Freiburg-im-Breisgau, an aerodrome at Neubreisbach and factories at Rombach, Masieres and Hagendingen.

A German wireless official message states:—We repulsed an English attack east of Bullecourt.

FRESH SUCCESSES IN ITALY.

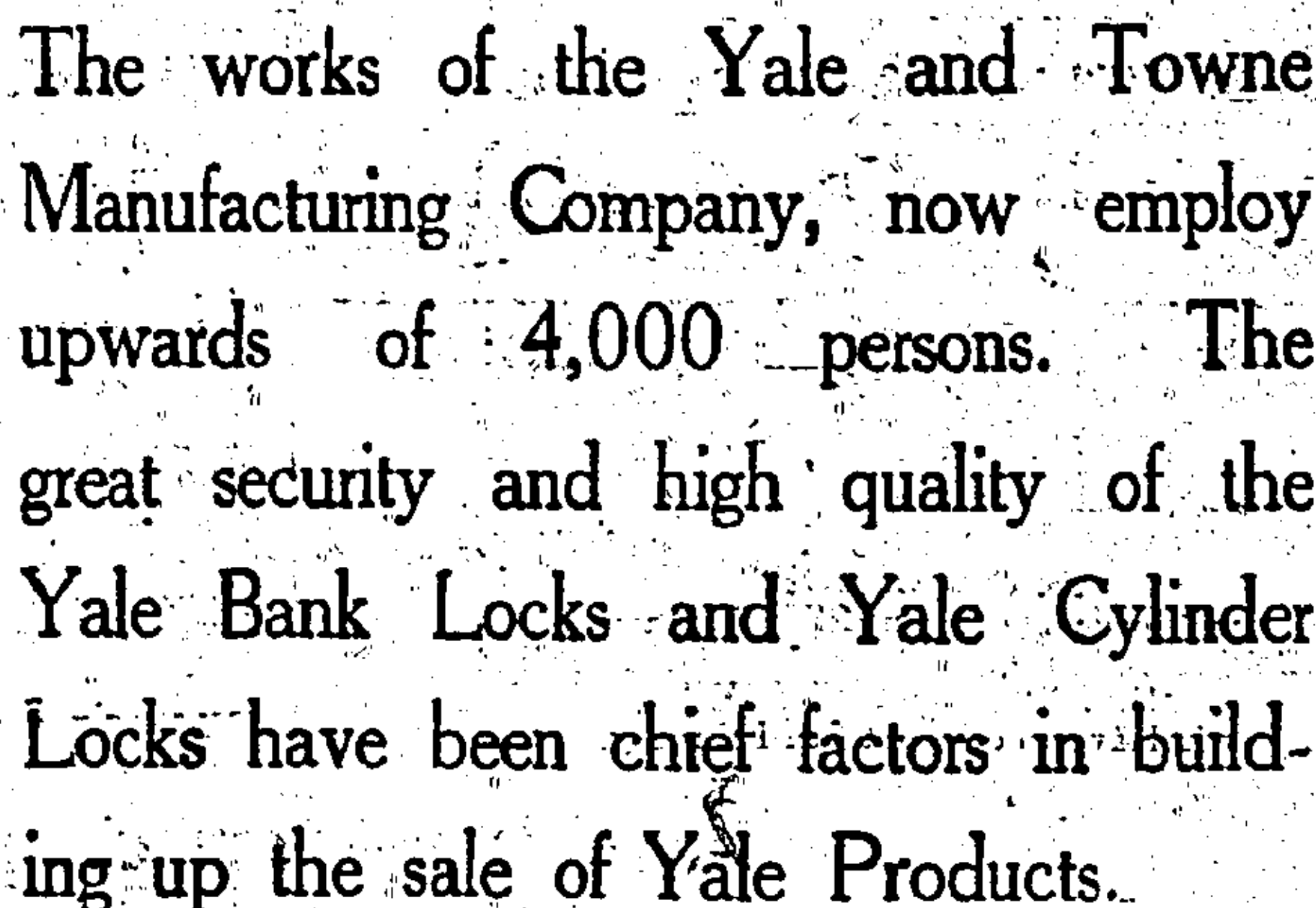
A British Italian official message states:—Our artillery had several successes during the past week and the success in the air was well maintained. We destroyed eight machines and drove down two others. One of our machines was lost. We carried out several successful raids on aerodromes. There was much snow yesterday.

EXPLOITS OF THE MOEWE.

The orders given before, the start were: "To lay mines at various places of the enemy coast, then a raiding campaign" (Kreuzerzug fabren). The Count pays an unconscious tribute to his chief enemy by saying he had to have recourse to "Mimikry" (note the k), and describes with gusto the way in which the Moewe was disguised. The first coat of paint was washed off by a rain-storm, and the Moewe looked like a "floating sebra." With amazing good fortune the Moewe evaded British patrols even in the sunniest weather. His comment is characteristic: "The English are, after all, obviously nicer people than we are in general inclined to assume."

Press Comment on the Military Outlook

Official Celebrations at Macao.



Mr. Montagu Kept Busy

The Farewell Season

COMMERCIAL NEWS.

Steel Production and Values.

Far from showing any sign of abatement, the pressure of national work in British iron and steel centres seems to become more pronounced. Important developments are going on in the way of extensions and the erection of new plants, and productive capacity is thus being added to gradually, but, even so, the accumulation of orders in the steel sections is so intense that there is not much hope of relief at present. An interesting development is the change in Transatlantic conditions. Prices in the United States come down considerably, tending to create the impression in some quarters of relief being at hand in the way of additional supplies of American steel, but the downward movement was only the forerunner of the fixing of official prices. The American iron and steel trade is now to all intents and purposes under Government control, a system of allocations of supplies being established similar to that in force in England. What with big domestic requirements and the supply of vast quantities of material for Army purposes in connection with the Western front, American steel producers have their hands very full, and there is not much prospect of any important additional surplus of semi-finished steel being diverted to consumers here. The home trade demand for pig-iron has developed lately on a larger scale. Supplies of common Cleveland iron are being allocated liberally, and deliveries would doubtless proceed on a better scale were means of transport more adequate. Consumers, however, have no reason for complaints. The current output of foundry grades is ample to meet all needs, but it is as yet impossible to fully cope with the demand for hematite. Italy is a constant large buyer of hematite, but the spare tonnage remains comparatively small.

The Shanghai Markets.

Piece Goods.—The piece goods market during the past week (says the N. C. Daily News of December 29) proved in keeping with the holidays and was a little brighter. The political situation appears more favourable, and confidence seems to be returning to the market. The money market has also loosened appreciably. Speculative buying has been the result of the low prices, the speculators buying for resale after the China New Year, when, if improvement in political conditions continues, an advance in values is looked for. Telegrams sent out by Peking asking for all parties to make peace have seemed to restore confidence a little at Hankow. Inquiries came from there this week, and it is understood that some shipments have been made. There was more optimism at the Kungping sale on Monday than the previous week. Bidding proved more spirited and the demand more general. Prices were up a few candareens all round. There was buying for Wuhan, Ningpo and the North. 170 packages was the offering, a little better than last week. Bidding was fairly brisk at the Ewo sale. Everything was up from 1 to 2 mace. A little speculative buying was in evidence. Some inquiry was heard for Hankow. About 120 packages was the offering. More eagerness was shown at Yuenfong's sale, due to a more favourable outlook in the political tangle. Bidding was brisk; blacks were steady, whites and greys up a mace. 1,075 packages was the offering. Conditions appear better for clearances in the upper and middle ports—Canton. Practically no information has been received relative to the cotton market. The last quotation from New York, December 26, gave March at 22.25. This shows a higher market. The local cotton market remains firm with the last quotations showing a rise. Quotations for Chinese cotton are: Tanchow, Tia 33; Shanghai, Tia 32.60; Nansu, Tia 22; Ningpo, Tia 30 to Tia 30.50, and Shensi, Tia 27. Yuenfong's sale is no information as to yarns. At Yuenfong, an account of the high exchange, there is little buying. There appears to be more inquiry in the local yarn market, and a small business is reported. Japanese yarns are firm.

The American Iron Embargo.

Though the Japanese Government has announced the rupture of the negotiations with the U. S. Government over the question of the United States supplying Japan with iron and steel in return for a Japanese offer of tonnage, Beuter's Agency, informed us (says the Japan Chronicle) of the conviction felt in official quarters in Washington that a satisfactory arrangement will arise out of the Japan-American negotiations. Opinion in Japanese shipping circles endorses the probability of such a conviction being entertained in the United States, but does not show the master any the easier of settlement unless, indeed, the American authorities make a big concession in regard to the price to be paid for Japanese tonnage—a point which is, according to Ruter, the "only pending question." Japanese shipowners point out that the question of price is the most important in the negotiations. At present the value of hulls in this country is not less than ¥800 per ton even for rather old vessels between the ages of 15 and 20 years, and the value of newly-built steamers must be over ¥700. It therefore goes without saying, we are told, that Japanese ships cannot be supplied at the prices offered by the United States which, it is understood, varied from \$170 to \$260. Even if the United States is prepared to yield in this respect, the will not make any great concession over and above \$200, and in any case it is fairly certain that she will not see her way to pay anything like the prices quoted in this country. There are thus great obstacles in the way of the iron and tonnage question. To offer tonnage simply for a supply of shipbuilding materials is to sacrifice the interests of shipowners for the benefit of shipwrights. Should the American embargo on iron and steel be modified in favour of Japan in consideration of Japan's offer of tonnage, those shipowners who might be called upon to offer the necessary steamers would naturally bring forward certain demands. For instance, they might urge that the shipbuilding materials newly supplied by the United States should be devoted towards replenishing their depleted fleet. In fact, this view is held by many of the shipowners, and is regarded as perfectly reasonable. This would, however, not be acceptable to the shipwrights, who would then be only able to gain comparatively little money as builder, and not be able to realise enormous profits by selling the vessel built to those offering the highest price. On these grounds belief obtains in shipping circles in this country that it will be extremely difficult to arrive at a satisfactory settlement of the iron and tonnage question.

Oil Trade at Swansea.

The Swansea Harbour Trustees, at their monthly meeting recently, Sir Griffith Thomas (chairman) presiding, adopted resolutions concluding their arrangement with the Anglo-Persian Oil Co., whereby the latter will construct extensive works and plant at Swansea for dealing with importation and exportation of petroleum. Sir Griffith Thomas said the agreement provided for letting to the company of 44,444 square yards of land at the King's Dock Extension, the construction of the necessary wharfeage, laying pipes, &c. The lease was for 99 years from June 1st, and the company guaranteed that the shipping rates payable should not be less than £10,000 a year. When the new works were in operation they would not only be profitable to the harbour, but would bring a good many other works into the Swansea neighbourhood. Swansea would by the agreement take the leading place in importation and exportation of petroleum, and if the company only brought in a few boats a week it was likely the Trustees' income would be advanced to £40,000 a year. He looked forward with every anticipation to very successful business. He moved the adoption of the agreement with the Anglo-Persian Oil Company. Mr. J. Harris seconded, and the agreement was unanimously adopted.

American Exports to Russia.

There have been dispatches saying that until the internal situation in Russia is settled, the U. S. Government will suspend all exports to that country. A telegram received by the Nippon Yusen Kaisha on the 26th ultimo from its New York office denies this.

Jute Industry.

Dundee practically owes its existence to its textile industry. It was the pioneer in the adoption of jute as a fibre for making cloth of a cheap quality, and its hold upon the trade has been so firmly maintained and developed that Dundee is recognised as the principal centre of the jute industry in Great Britain. For a number of years, however, a formidable rival has been met in the extraordinary development of the industry in Calcutta, where the number of looms and their output now far exceed those of Dundee, and in many cases Dundee has been dislodged from markets that it formerly held with ease, because Calcutta is able from its cheap labour and close proximity to the raw material to sell its goods at a price that Dundee could not meet without actual loss. As a consequence, a large number of the local manufacturers have devoted their attention to turning out the wider makes of cloth, up to 150 inches in width, which are used in the manufacture of linoleum.

Reported Nationalisation of Sugar Industry.

There have lately been rumours that the Government (says the Japan Chronicle of December 28) contemplates nationalising the sugar industry, to run it on the same lines as the salt, tobacco, camphor and other State enterprises. In this connection a Seiyukai leader says:—"It may be true that the authorities are taxing their brains as to the means of meeting the big expenditure on the Army and the Navy in the making of the Budget for the next financial year, but nothing definite has yet been heard about the rumoured proposal for making the sugar industry a Government monopoly. The rumour may be a misrepresentation of the fact that an increase of the excise duty on sugar is being considered in official quarters. On the whole it does not appear that Government has yet settled its programme of budget-making. If the Government is to carry out such a big project as the nationalisation of the sugar industry, this should by now have been intimated to us, but no such information has yet been given. For the next financial year the Government has fairly abundant sources of revenue, in addition to natural increases, the inauguration of the war profits tax, an increase in the price of tobacco, and an increase in the excise duty on sake and angar are under consideration. It seems therefore that there is no reason why such a difficult question as the nationalisation of the sugar industry should be brought forward at this moment." With regard to the above rumour, the Mainichi quotes Mr. Shoda, the Finance Minister, as denying it categorically. If the sugar industry is to be nationalized, the necessary funds must be secured by loan. The capital

alone of the existing sugar companies amounts to some ¥400,000,000, and when to this is added accruing values, the money necessary for taking over the industry will come to an enormous amount—so enormous, indeed, that in the present circumstances it is impossible to raise it in this country. It is added that nothing like the expenditure for the rumored sugar nationalization is provided for in the Budget for the next financial year.

Future of British Steel.

Sir William Boardman presided recently at the autumn meeting of the Iron and Steel Institute, held at the Institution of Civil Engineers, and announced that Mr. Charles Eugene Schneider had been nominated by the council as the next president of the institute. Mr. Schneider is the principal owner in Le Creuset Works, the great French rival of Krupp's. Mr. G. Barrett (Ebbw Vale) and Mr. T. B. Egerton (Glasgow) contributed a paper on the brightening of iron ores, in which they pointed out that the increased production of sulphuric acid brought about by the war would bring into the market a quantity of material which would be easily treated. There was no doubt that suitably treated many otherwise practically worthless ores could be made into most valuable material. The mechanical section of the committee dealing with the treatment of steel and its ferro-alloys submitted a preliminary report on the comparison of rolling-mill practice at home and abroad, and replies to questions sent out to ascertain the views of manufacturers on the causes of the smaller output of British steel works as compared with foreign practice. In their general remarks on the replies the committee stated:—"The opinion is expressed that if the steel trade of Britain is to hold its own in open competition with the other steel-producing countries of the world, it will be necessary, amongst other changes, to have a Central Board to which all orders will go, and from whence the work will be allocated to the different works according to their ability to do it. This would save the enormous amount of capital at present locked up in stocks of rolls. Many works have rolls for practically all the British standard sections, and change the rolls as required to suit orders. If, on the other hand, the orders were sent from a Central Board, mills could be kept on the work allocated to them for long periods, thus reducing the amount of roll-changing and also enable works to roll only such material for which their mills and plant are best adapted. It is clear to the committee that the one outstanding feature which has been revealed by their work, so far as it has gone, has been the eliciting of the almost unanimous opinion that, if the steel industry in this country is going to maintain its position, it must be by some great broadening of our commercial organisations that would lead to economies far and away outweighing any other element in the situation, and long ago realised and adopted by our foreign competitors."

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DISCOUNT PER \$100.

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HONGKONG & SHANGHAI BANKING CORPORATION.

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Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

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Hon. Mr. J. H. Dowling, F. C. B. B. B.

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BANKS.

HONGKONG & SHANGHAI BANKING CORPORATION.

Paid-up Capital...\$12,000,000

RESERVE FUNDS:

Sterling...\$1,500,000

Silver...\$1,500,000

Reserve Liability...\$3,500,000

Proprietors...\$15,000,000

COURT OF DIRECTORS:

Hon. Mr. J. H. Dowling—Chairman

Hon. Mr. C. E. Anson, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

Hon. Mr. J. H. Dowling, F. C. B. B. B.

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Hon. Mr. J. H. Dowling, F. C. B. B. B.

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